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REMARKS

Claims 1-18 are pending in the application. Claims 1-18 are rejected.

Claims 1, 2, 3, 6, 14, 16, 17 and 18 are amended, new claim 19 is added, and, thus, claims 1-19 remain pending for reconsideration, which is respectfully requested.

No new matter is being presented.

CLAIM REJECTIONS – 35 U.S.C. §101

Claims 1-17 were rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Independent claims 1 and 17 are amended, taking into consideration the Examiner's comments.

More particularly, independent claim 1 is amended to recite, "1.   (CURRENTLY AMENDED) A method of distributing advertisement *using an advertisement distributing server computer*, comprising: ..." Further, the method operations are amended to expressly clarify use of *"the advertisement distribution server"* and *"a network"* in "distributing over a network the name-embedded advertisement to the prospective customers of the shop according to the resultant prospective customer list selected to receive the name-embedded advertisement in the advertisement distribution selecting operation," so that claim 1 is not directed to an abstract idea and the operations produce a useful, concrete and tangible result of *"distributing over a network the name-embedded advertisement"* (claim 1).

Similarly, independent claim 17 is amended to recited, "17. (CURRENTLY AMENDED) An advertisement distributing *client computer placed at each shop connected to an advertisement distributing server computer over a network*, comprising: ..." Further, claim 17 as amended recites, "an advertisement distribution selection result notifying part for returning the advertisement distribution prospective customer list based upon a processing a selection result of by the advertisement distribution selecting part, to the advertisement distributing server computer over the network, and *requesting the advertisement distributing server computer to distribute advertisement only to customers included in the advertisement distribution prospective customer list processed according to the advertisement distribution selection part* the advertisement distributing client requesting the advertisement distributing server to distribute the advertisement to customers who are specified

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~~to receive the advertisement,~~" so that claim 17 is not directed to an abstract idea and the *"advertisement distributing client,"* as a computer of a shop, performs a useful, concrete and tangible result of distributing advertisements via "*requesting the advertisement distributing server computer to distribute advertisement only to customers included in the advertisement distribution prospective customer list processed according to the advertisement distribution selection part*" (claim 17).

Therefore, withdrawal of the 35 USC 101 non-statutory subject matter rejection of claims 1-17 is respectfully requested.

CLAIM REJECTIONS – 35 U.S.C. §103

CLAIMED PRESENT INVENTION

Claims 1-3, 6-9, 14-18 were rejected under 35 U.S.C. 103(a) as being unpatentable over DiStefano, III (US 6,631,400) in view of Gardenswartz et al. (US 6,298,330).

Certainly, in any of the cited references, there is no disclosure regarding the claimed present invention's patentably distinguishing feature of excluding regular customers from a prospective customer list, which is created based on customer information managed in a database on an advertisement distributing server side, based on regular customer information managed in a database on a shop system side. Therefore, according to the claimed present invention *a shop prohibits advertisement with respect to its regular customers using a shop side regular customer information*, irrespective of the intention of an advertisement receiver. The present invention, as recited in independent claims 1, 2, 3, 6, 14, 16, 17 and 18, is amended for clarifying at least a patentably distinguishing feature,

    1.   (CURRENTLY AMENDED) A method of distributing advertisement <u>using an advertisement distributing server computer</u>, comprising:

    ...

    an advertisement distribution selecting operation of *allowing the* ~~*shops*~~ *shop to exclude existing regular customers of the shop from the prospective customer list as customers to which the advertisement regarding the article is not distributed,* based on regular customer information accessible from the computer of the shop, and notifying the advertisement distributing server computer of a resultant prospective customer list over the network ~~determine whether an advertisement regarding the article is to be distributed to the prospective customers in the notified prospective customer list~~; ... (emphasis added).

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According to the claimed present invention's advertisement distribution method recited in amended claim 1, the following conventional example problems will be solved. Conventionally, if a part of customer information registered in a large-scale customer database of an opt-in name-embedded advertisement distributing system overlaps regular customer information of a shop, when the same advertisement is uniformly distributed to prospective customers extracted from the large-scale customer database, which includes the existing regular customers of the shop, the advertisement distribution results in sending out-of-place direct mail to the existing regular customers under the name of the shop which often deals with the regular customers and is supposed to know well the purchase history of the existing regular customers. For example, direct mail from a shop, recommending a regular customer to buy the same article as that purchased at the same shop, is inappropriate, which gives an unfavorable impression to the regular customer. On the other hand, according to the advertisement distributing method recited in amended claim 1, *a prospect customer list created from customer information by an advertisement distributing server is sent, over a network, to a computer of a shop that is capable of selling the article, the shop is allowed to exclude the regular customers of the shop from the prospective customer list as customers to which the advertisement regarding the article is not distributed, based on regular customer information accessible from the computer of the shop, and the advertisement distributing server computer is notified of a resultant prospective customer list over the network*, whereby having a benefit that inappropriate direct mail can be prevented from being distributed to the regular customers. Such an effect cannot be obtained from the combination of DiStefano and Gardenswartz as relied upon by the Examiner.

DISTEFANO AND GARDENSWARTZ

The Examiner generally asserts that DiStefano discloses shops/marketers access the system and request that ads be sent to targeted subsets of the stored users (col. 1, lines 42-60, 2:37-55, 4:1-15. Paragraph spanning pages 5 and 6 of the Office Action.

The Examiner in page 6 of the Office Action also asserts that when a shop/retailer participates in the advertising process, it provides the step of allowing the shops to determine whether an ad is distributed to the prospective customers; no ads would be sent without the shops desire to send the ads. Presumably the Examiner is suggesting that the claimed present invention's patentably distinguishing feature of *a shop prohibiting advertisement with respect to its regular customers* is implicit.

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The Examiner in page 6 of the Office Action also asserts that opt-in and opt-out techniques are well known in the advertising industry, and presumably the well known assertion is supported by DiStefano and Gardenswartz. Page 6 of the Office Action. However, conventionally, "opt-out" refers to an advertisement recipient opting out of receiving advertisements. Therefore, DiStefano and Gardenswartz fail to disclose or suggest the claimed present invention's patentably distinguishing feature of *a shop prohibiting advertisement with respect to its regular customers*. Therefore, the claimed present invention's advertising technique is not well known.

The Examiner also asserts that the claims do not require any distinction between prospective customers and "regular" customers. Page 6 and page 8, item 6, of the Office Action.

The Examiner also asserts that the claimed present invention's "shop searching operation" is implicit in the combined system of the relied upon references. Page 8, item 6, of the Office Action.

In contrast to DiStefano and Gardenswartz, the claimed present invention is at least directed to a method of allowing a shop to identify/extract prospective customers for an article that the shop sells. Pages 43-44 of the present Application.

DiStefano relates to managing bulk email distribution based upon an opt-in list according to a shop/marketer's request (column 1, lines 42-60 and FIG. 3). In DiStefano, in FIG. 3, a shop 5 accesses a bulk-email server 4 and the bulk-email server 4 presents the shop 5 with selection of opt-in target recipient lists, the shop selects a target recipient list, the shop selects quantity of emails to be received and opened, and the shop selects date and time of delivery. And then, at operations 150, 128, and 134, the bulk-email server 4 uploads an email message, selects a subset of specified quantity from target recipient list, and transmits email to each target recipient in subset. Therefore, in DiStefano only supports an opt-in advertising technique, and in DiStefano, the bulk-email server 4 is merely emailing in batches as subsets of specified quantity from a target recipient list, which differs from the claimed present invention's, "allowing *shops* to determine whether an advertisement regarding an article is to be distributed to the prospective customers" (original claim 1). DiStefano's bulk email services differ from the claimed present invention's shop prospective customer services for an article. Further, Gardenswartz relates to providing targeted advertisements based on customers' offline purchase histories. Therefore, DiStefano and Gardenswartz fail to disclose or suggest the

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claimed present invention's prospective customer list, as shown in FIGS. 5, 7 and 8, allowing a shop to distinguish "prospective customers" from "regular customer" of the shop for an advertisement for an article.

Independent claims 1, 2, 3, 6, 14, 16, 17 and 18 are amended to clarify that the claimed present invention is directed to an advertising system allowing a shop to identify/extract prospective customers for an article that the shop sells, and (2) to positively recite the claimed present invention's patentably distinguishing feature of a *shop prohibiting advertisement with respect to regular customers* by positively drawing a distinction between "regular" and "prospective" customers, as follows:

> 1. (CURRENTLY AMENDED) A method of distributing advertisement using an advertisement distributing server computer, comprising:
>
> a prospective customer searching operation of *searching for prospective customers of an advertising article* from customer information accessible from the advertisement distributing server computer;
>
> a shop searching operation of *searching for shops a shop* that are is capable of selling the article to the prospective customers from shop information accessible from the advertisement distributing server computer;
>
> a shop notifying operation of *notifying, over a network, a computer of the shop of* prospective customer notifying operation of creating a *prospective customer list of the prospective customers*, to which the shops are shop is capable of selling the article, according to the shop searching on a shop basis, and notifying the shops of the prospective customer list;
>
> an advertisement distribution selecting operation of *allowing the shops shop to exclude existing regular customers of the shop from the prospective customer list as customers to which the advertisement regarding the article is not distributed, based on regular customer information accessible from the computer of the shop*, and notifying the advertisement distributing server computer of a resultant prospective customer list over the network determine whether an advertisement regarding the article is to be distributed to the prospective customers in the notified prospective customer list;
>
> a name-embedded advertisement generating operation of generating name-embedded advertisement in which shop identity information capable of identifying the shops shop is added to the advertisement; and
>
> a name-embedded advertisement distributing operation of *distributing over a network* the name-embedded advertisement

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to the prospective customers _of the shop according to the resultant prospective customer list_ selected to receive the name-embedded advertisement in the advertisement distribution selecting operation.

Support for the claim amendments can be found, for example, on page 18, lines 1-16 and page 20, line 30 to page 23, line 4 and FIGS. 5, 7, and 8 of the present Application.

DiStefano and Gardenswartz do not disclose or suggest the claimed present invention's patentably distinguishing features, as follows:

a. In contrast to DiStefano and Gardenswartz, the claimed present invention provides "an advertisement server computer" that provides, "a shop searching operation of _searching for_ shops _a shop_ that are- _is_ capable of selling the article to the prospective customers from shop information accessible from the advertisement distributing server computer" (e.g., claim 1). DiStefano is silent on such a shop searching operation by the bulk email server 4, as shown in FIG. 3 where none of the operations provide for searching shop information. The Examiner in page 6, lines 3-5, of the Office Action, relies on Gardenswartz, col. 14, lines 29-54.

However, Gardenswartz, col. 14, lines 29-54 discloses including in the advertisements names of stores that are willing to provide purchase data to the purchase history database 8. Gardenswartz relates to providing targeted advertisements based on customers' offline purchase histories, and does not perform any shop searching. In Gardenswartz, a shop's purchase data is based upon consumer purchase history information, which differs from the claimed present invention's, "shops- _a shop_ that are- _is_ capable of selling the article to the prospective customers" regardless of whether the article has been purchased. In other words, combination of "searching for prospective customers of an advertising article from customer information accessible from the advertisement distributing server computer" and "searching for shops- _a shop_ that are- _is_ capable of selling the article to the prospective customers from shop information accessible from the advertisement distributing server computer" (e.g., claim 1), provides a benefit of identifying prospective customers for an article that the shop sells, independent of purchase history as well as based upon purchase history. Gardenswartz discloses that targeted advertisements can be delivered without specifically identifying purchasers, but Gardenswartz is still directed to associating a first identifier (cookie) with consumer's observed offline purchase history (column 3, lines 20-45).

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b. In contrast to DiStefano and Gardenswartz, the claimed present invention provides, "*notifying, over a network, a computer of the shop of* ~~prospective customer notifying operation of creating~~ *a prospective customer list of the prospective customers, to which the* ~~shops are~~ *shop is capable of selling the article, according to the shop* ~~searching on a shop basis, and notifying the shops of the prospective customer list~~" (e.g., claim 1). It is clear that DiStefano's bulk email server 4 in FIG. 1 does not perform any shop searching. In DiStefano, FIG. 3, operation 108, the bulk email server 4 presents to the marketer 5 a list of target recipient profiles (column 5, lines 65-67), which differs from the claimed present invention's, "*notifying, over a network, a computer of the shop* of ~~prospective customer notifying operation of creating~~ *a prospective customer list of the prospective customers*, to which the ~~shops are~~ *shop is* capable of selling the article, *according to the shop searching* ~~on a shop basis, and notifying the shops of the prospective customer list~~," because DiStefano does not perform any "*searching for* ~~shops~~ *a shop* that ~~are~~ *is* capable of selling the article to the prospective customers from shop information *accessible from the advertisement distributing server computer*" (e.g., claim 1).

Also, Gardenswartz's advertiser server 18 in FIG. 1 fails to disclose or suggest the claimed present invention's, "*notifying, over a network, a computer of the shop* of ~~prospective customer notifying operation of creating~~ *a prospective customer list of the prospective customers*, ... *according to the shop searching* ~~on a shop basis, and notifying the shops of the prospective customer list~~" (e.g., claim 1).

c. Also, in contrast to DiStefano and Gardenswartz, the claimed present invention provides, "an advertisement distribution selecting operation of allowing the ~~shops~~ *shop to exclude existing regular customers of the shop from the prospective customer list* as customers to which the advertisement regarding the article is not distributed, *based on regular customer information accessible from the computer of the shop*, and notifying the advertisement distributing server computer of a resultant prospective customer list over the network ~~determine whether an advertisement regarding the article is to be distributed to the prospective customers in the notified prospective customer list~~" (claim 1).

DiStefano clearly only discloses working with an opt-in list of target recipients (Abstract, and FIG. 3, operation 108). Further, in DiStefano's FIG. 3, none of the operations 110 through 122 allow the client to perform the claimed present invention's, "allowing the ~~shops~~ *shop to exclude existing regular customers of the shop from the prospective customer list* as

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customers to which the advertisement regarding the article is not distributed, *based on regular customer information accessible from the computer of the shop*" (e.g., claim 1).

Further, DiStefano's FIG. 3, operation 128, is performed by the bulk email server 4 (i.e., not by the client) and the bulk email server 4 selects a subset of specified quantity from target recipient list for purposes of batch distribution processing, as described in DiStefano, column 7, lines 29-43, "the process can repeat until the requested quantity of targeted bulk emails is successfully received by the targeted recipients").

Also Gardenswartz's advertiser's server 18 fails to provide the claimed present invention's, "allowing the ~~shops~~ *shop to exclude existing regular customers of the shop from the prospective customer list* as customers to which the advertisement regarding the article is not distributed, *based on regular customer information accessible from the computer of the shop*" (e.g., claim 1).

Both DiStefano and Gardenswartz fail to disclose, suggest or provide support for the Examiner's well known assertion of the claimed present invention's an advertising system allowing a shop to identify/extract prospective customers for an article that the shop sells, including for "regular customers" and "prospective customers" of the shop, "*allowing the ~~shops~~ shop to exclude existing regular customers of the* shop from the prospective customer list as customers to which the advertisement regarding the article is not distributed, *based on regular customer information accessible from the computer of the shop*, and notifying the advertisement distributing server computer of a resultant prospective customer list over the network ~~determine whether an advertisement regarding the article is to be distributed to the prospective customers in the notified prospective customer list.~~"

Therefore, the claimed present invention is patentably distinguishing over DiStefano and Gardenswartz.

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NEW CLAIM 19

New independent claim 19 provides an alternative recitation of the present invention, and is at least patentably distinguishing over DiStefano and Gardenswartz for the foregoing reasons concerning independent claims 1, 2, 3, 6, 14, 16, 17 and 18. In contrast to DiStefano and Gardenswartz, the claimed present invention as recited in new independent claim 19 provides:

> 19.   (NEW) A method of distributing advertisement from a shop to a computer of a customer, using an advertisement distribution server computer, comprising:
>
> a prospective customer searching operation of *receiving specification of an advertising article, and generating a prospective customer list* of the article from customer information accessible from the advertisement distributing server computer;
>
> a shop notifying operation of *notifying, over a network, a computer of a shop of the prospective customer list,*
>
> an advertisement distribution selecting operation of *allowing the shop to exclude existing regular customers of the shop from the prospective customer list* as customers to which the advertisement regarding the article is not distributed, *based on regular customer information accessible from a computer of the shop,* and to notify the advertisement distributing server computer of a resultant prospective customer list over the network;
>
> a name-embedded advertisement generating operation of generating name-embedded advertisement in which shop identity information capable of identifying the shop is added to the advertisement; and
>
> a name-embedded advertisement distributing operation of *distributing* over a network the name-embedded advertisement to the prospective customers of the shop *according to the resultant prospective customer list* (emphasis added).

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OFFICIAL NOTICE OF DEPENDENT CLAIMS 4, 10 AND 11

Regarding dependent claims 4, 10 and 11, in item 4, on page 7 of the Office Action, the Examiner maintains the Official Notice that it was well known in the art at the time of filing "to charge the manufacturer as well as retailer for provided advertising." (Office Action, p. 7). The amended independent claim 3 clearly draws a distinction between "regular customer information accessible from the computer of the shop" and "prospective customers ... from customer information accessible by the advertisement distributing server computer" (amended claim 3). Further, there is no term "manufacturer" in claims 4, 10 and 11, so that the Examiner's understanding of dependent claims 4, 10 and 11 should be clarified as follows. Even if the Examiner exemplifies a manufacturer as the present claimed invention's "advertisement provider" recited in dependent claims 4, 10 and 11, in contrast to Hoffberg the present claimed invention, using dependent claim 4 as an example, provides calculating two types of fees, (1) an advertisement fee charged to an advertisement provider by "setting an advertisement unit price for billing an advertisement provider per advertisement with respect to the advertisement of the article" and "multiplying the advertisement unit price by the number of name-embedded advertisements distributed in the name-embedded advertisement distributing operation," and (2) an advertisement distribution shop fee charged the shop, which is:

> calculated by adding a product obtained by multiplying the prospective customer distribution fee unit price by the number of name-embedded advertisements distributed to the prospective customers, to a product obtained by multiplying the regular customer distribution fee unit price by the number of name-embedded advertisements distributed to the regular customers.

In particular, the advertisement distribution shop fee comprises two portions of "prospective customer distribution fee" and "regular customer distribution fee" (dependent claim 4).

> 4.   (PREVIOUSLY PRESENTED) A method for distributing advertisement according to claim 3, comprising an advertisement distribution billing operation including:
>
> an advertisement unit price setting operation of setting an advertisement unit price for billing an advertisement provider per advertisement with respect to the advertisement of the article;
>
> *a prospective customer distribution fee* unit price setting operation of setting a unit price of a prospective customer distribution fee provided to a shop per distribution to the prospective customers;
>
> *a regular customer distribution fee* unit price setting

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operation of setting a unit price of a regular customer distribution fee provided to a shop per distribution to the regular customers;

an advertisement fee calculating operation of calculating an advertisement fee by multiplying the advertisement unit price by the number of name-embedded advertisements distributed in the name-embedded advertisement distributing operation;

an advertisement fee charging operation of charging the advertisement fee to the advertisement provider; and

an advertisement distribution shop fee providing operation of providing to the shop an advertisement distribution shop fee calculated *by adding a product obtained by multiplying the prospective customer distribution fee unit price by the number of name-embedded advertisements distributed to the prospective customers, to a product obtained by multiplying the regular customer distribution fee unit price by the number of name-embedded advertisements distributed to the regular customers* (emphasis added).

The Examiner asserts that the present invention as recited in dependent claims 4, 10 and 11 is well known and relies on Hoffberg. However, Hoffberg cannot support the Examiner's well known assertion of the present claimed advertisement billing, because dependent claims 4, 10 and 11 do not merely recite "to charge the advertisement provided as well as retailer," as suggested by the Examiner, but the dependent claims 4, 10 and 11 recite other patentably distinguishing features. And Hoffberg only mentions advertising fees generated in a mobile communications device, and in column 26, lines 5-6, provides one example of "allowing accounting for advertising fees on an impression basis," which differs from the present claimed two types of fees charged and calculated for an advertisement provider and the shop. Hoffberg's "impression" basis advertising fees would be tied to a location, perceived events, time and/or other factors, of the mobile communication device, but Hoffberg is absolutely silent on the present claimed invention's calculating two types of fees, (1) an advertisement fee charged to an advertisement provider by "setting an advertisement unit price for billing an advertisement provider per advertisement with respect to the advertisement of the article" and "multiplying the advertisement unit price by the number of name-embedded advertisements distributed in the name-embedded advertisement distributing operation," and (2) an advertisement distribution shop fee charged the shop, which is "calculated by adding a product obtained by multiplying the prospective customer distribution fee unit price by the number of name-embedded advertisements distributed to the prospective customers, to a product obtained by multiplying the regular customer distribution fee unit price by the number of name-embedded advertisements distributed to the regular customers." In particular, for example,

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Hoffberg does not disclose or suggest the present claimed invention's *advertisement distribution shop fee that comprises two portions of "prospective customer distribution fee" and "regular customer distribution fee"* (dependent claim 4). Further, Hoffberg's column 22, lines 25-29 and column 25, lines 49-65, do not disclose or suggest the present claimed invention as recited in dependent claims 4, 10 and 11.

Therefore, the Examiner's taking of Official Notice is hereby traversed, and allowance of dependent claims 4, 10 and 11, is respectfully requested.

<u>DEPENDENT CLAIMS 5, 12 AND 13</u>

In contrast to Gough, the claimed present invention as recited in dependent claims 5, 12 and 13, using claim 5 as an example, provides:

> 5.   (PREVIOUSLY PRESENTED) A method of distributing advertisement according to claim 3, comprising a sales billing operation including:
>
> a sales fee unit price setting operation of setting a sales fee unit price for billing an advertisement provider per sales performance;
>
> a sales performance obtaining operation of obtaining a sales volume of the article sold to customers who have received the advertisement;
>
> a prospective customer sales fee unit price setting operation of setting a unit price of *a prospective customer sales fee provided to the shop concerning customer sales performance with respect to the prospective customers*;
>
> a regular customer sales fee unit price setting operation of setting a unit price of *a regular customer sales fee provided to the shop concerning customer sales to the regular customers*;
>
> a sales fee calculating operation of calculating a sales fee provided to the advertisement provider by multiplying the sales fee unit price by the sales volume obtained in the sales performance obtaining operation; and
>
> *a shop sales fee* providing operation of providing to the shop an advertisement distribution shop fee calculated *by adding a product obtained by multiplying the prospect customer sales fee unit price by the sales volume with respect to the prospective customers, to a product obtained by multiplying the regular customer sales fee unit price by the sales volume with respect to the regular customers* (emphasis added).

According to the Examiner in the paragraph spanning pages 7-8 of the Office Action, Gough discloses advertising costs can be recovered by charging per sale generated by the ad

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recipient. However, Gough fails to disclose or suggest the claimed present invention's, *"shop sales fee" based upon both a "prospective customer sales fee," and "regular customer sales fee," as recited, for example, in dependent claim 5.*

Therefore, the Examiner's taking of Official Notice is hereby traversed, and allowance of dependent claims 5, 12 and 13, is respectfully requested.

CONCLUSION

In view of the claim amendments and remarks, withdrawal of the rejection of pending claims and allowance of pending claims is respectfully requested.

There being no further outstanding objections or rejections, it is submitted that the application is in condition for allowance. An early action to that effect is courteously solicited.

Finally, if there are any formal matters remaining after this response, the Examiner is requested to telephone the undersigned to attend to these matters.

Respectfully submitted,
STAAS & HALSEY LLP

Date: ___12/13/2004___   By: _____

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Date ____12/13/2004____

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